RED-HANDED DEFORESTATION
AND BUNGE’S SILENT CONQUEST
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Network for Social Justice and Human Rights
Created in 1999, Rede Social de Justiça e Direitos Humanos (Network for Social Justice and Human Rights) works closely with indigenous, quilombola (rural Afro-Brazilian), and peasant communities, providing legal defense, grounded research, public education, and advocacy to protect land rights, biodiversity, and ecological food production. Its analysis of the social and environmental impacts of the financialization of agriculture and farmland is channeled back to the impacted communities, equipping them to defend their land. Rede Social has successfully worked on several landmark legal cases to guarantee human rights within social movements in Brazil.

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Over the last 20 years, the region of Brazil known as MATOPIBA (acronyms of the states of Maranhão, Tocantins, Piauí, and Bahia) has been the center of expansion of the soy industry and, consequently, subject to massive destruction of the region’s rich natural ecosystems. Over the last five years, 76% of the expansion of the agricultural frontier in MATOPIBA has occurred in areas formerly characterized by unique native vegetation and now carpeted in an industrial monoculture of soy plantations. Soy monocultures currently occupy over 4% of Brazil’s entire territory; half of this is in the Cerrado biome.¹

Like so much environmental devastation globally, the scale and pace of the Cerrado’s recent deforestation is of historic proportions: More land has been deforested in the past 20 years – close to 13 million hectares – than in the previous 500 years since the colonial invasion. In 2020, more than 23 million hectares of the Cerrado in MATOPIBA were deforested, comprising more than one-third of the Cerrado’s total area. Together, cattle raising and soy monocropping correspond to practically 80% of the deforested area in the MATOPIBA region of the Cerrado.²

Known as the “birthplace of waters,” Brazil’s Cerrado is the world’s most biodiverse tropical savannah and home to diverse peasant, quilombola (rural Afro-Brazilian), and indigenous communities. The expansion of the soy frontier fuels the use of fire, deforestation, and the grabbing of rural communities’ land, and leaves behind a desolate landscape of polluted rivers and depleted soils, which in turn further impoverishes rural communities. Deforestation destroys biodiversity and the sources of the rivers in the Cerrado, which play a fundamental role in the water balance in Brazil. It contributes to the sedimentation of the rivers that are born on the plateaus and drain into the lowlands, which kills the fish and makes it difficult for the communities to use the water collectively. Soy corporations also pollute the rivers and the communities’ food production with chemicals that they spray from airplanes.³

An accompanying report to this one, Industrial Soy Expansion in Brazil: Financialization, Deforestation, and Dispossession in the Birthplace of Waters, describes the correlation among the industrial soy expansion, land speculation, and financialization of farmland.
That report exposes some of the real estate and financial corporations that operate in the MATOPIBA region, where they establish farms by clearing native vegetation and appropriating rural communities’ land. This report illustrates the issue in a forensic manner. The first part of the report, *Red-handed deforestation in the Chapada Fortaleza*, documents a specific case of recent illegal deforestation in the uplands of southwest Piauí known as “Chapada Fortaleza.” The second part of the report, *Anatomy of a corporate crime*, reveals how multinational corporate actors, while they may not be the direct agents of deforestation and illegal land acquisitions, create the enabling environment for these abuses and then profit from the results.

In the concluding section, *Bunge’s Silent Conquest*, we demonstrate how one company, the U.S.-based trading company Bunge Limited, acts as a liaison between corporations in the chain of speculation, dispossession, and social-ecological destruction through its near-total monopoly on soy production in Piauí.

While Bunge, a U.S.-based publicly listed company (NYSE:BG) has made a public commitment to end deforestation in its soy supply chains by 2025, the case study of Chapada Fortaleza adds to a body of evidence demonstrating that the large areas of the Cerrado being deforested today, both legally and illegally, will likely provide soy for Bunge’s global supply chains tomorrow. By failing to maintain strict due diligence over its indirect suppliers and by fostering the expansion of the soy frontier in Piauí, Bunge has contributed to and profited from the land conflicts, human rights abuses, and deforestation that are ever on the rise in the Cerrado and across Brazil. These investigations echo findings published by Global Witness in 2021 showing that Bunge is dealing in conflict-tainted soy sourced from soy producers in Bahia State, Brazil, and in doing so is contributing to land conflict and alleged human rights abuses.

The simple fact is, deforestation, both legal and illegal, favors the corporations that control the soy industry in the region. Under Bunge’s current policies on deforestation and exploitation, there is apparently nothing to prevent the company from buying soy grown on land that has been illegally deforested. By furthering this pattern of destruction and abuse, Bunge is out of step with climate science, with the expectations of its leading shareholders, and with international standards on business and human rights, including the United Nations Guiding Principles on Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the OECD Guidance for Responsible Business Conduct.

In the name of climate responsibility, the first and best thing that Bunge should do is to cease all expansion of soy plantations in general, even where it is apparently legal. Beyond this broad recommendation, a set of additional recommendations is provided at the conclusion of the report to help guide Bunge on a more responsible course.
Map 1 – The MATOPIBA region, Brazil (2021)


The southwestern region of Piauí has been a target of industrial soy expansion in Brazil, where a pattern of land-grabbing, fires, and deforestation precedes the establishment of new soy plantations. The geography of the region is characterized by vast flat-topped plateaus where agribusiness corporations expand mechanized production. As in the case documented below, these areas often coincide with lands known as “terras devolutas” – parcels of untitled land that historically should have been turned over to collective ownership by peasant, quilombola, and indigenous communities, and which fall under the legal control of the state. The communities share the use of the plateaus to gather fruit and raise livestock, while they live and grow their crops in the lowlands.

The illegal process of constituting a new farm often begins with the falsification of a land title at a notary office. Then, the supposed “owners” begin to evict the peasants from their territories, often with the use of violence, even though the peasants’ land rights are legally guaranteed by the Federal Constitution of 1988 and the more recent Piauí Land Act of 2019. Fires and deforestation are used in the second stage of the land-grabbing process. Their cost is very low, as only two tractors and a big chain are used to deforest the land. Once this is done, a “new” farm is offered in land markets.

In the city of Santa Filomena, in southwestern Piauí, Bunge recently installed a large soy storage facility on land where illegal deforestation was documented by satellite images and field visits in October 2021. The deforestation began in September 2021 on the eastern escarpment of the Chapada Fortaleza in Santa Filomena, above the lowlands of several communities that are involved in a legal process to gain collective title for their land. In October 2021, two tractors and a large chain were used to destroy forest on more than 2,000 hectares of land in an area called “Fazenda Kajubar” (Kajubar Farm). Due to its history of irregularities, the title for Kajubar Farm has been suspended by an Annulment Action filed by the Public Prosecutor’s Office and currently being processed by the Agrarian Court of Bom Jesus. Under state law, no exploration, environmental licensing, or deforestation is allowed in areas involved in a judicial dispute, as is the case of the Kajubar Farm, making the deforestation of the area patently illegal.

Red-Handed Deforestation in the Chapada Fortaleza

Under state law, no exploration, environmental licensing, or deforestation is allowed in areas involved in a judicial dispute, as is the case of the Kajubar Farm, making the deforestation of the area patently illegal.
The image above shows the major entities at work in Santa Filomena, including lands owned by the De Carli family, SLC Agricola, Radar/Tellus, and Bunge. The Kajubar Farm overlaps with the land that belongs customarily to rural communities and to which they are seeking collective legal title. Bunge’s new silo in Santa Filomena is close to the deforested area, illustrating the corporation’s influence and likely future sourcing relationship with production on Kajubar Farm. The other soy corporations shown are SLC, Radar/Tellus (owned by U.S. pension fund manager TIAA),10 and Insolo (formerly owned by Harvard University),11 all of which are among Bunge’s main suppliers in Piauí. As demonstrated in the final section of this report, under Bunge’s current policies on deforestation and exploitation, there is nothing to prevent the company from buying soy grown on the illegally deforested Kajubar Farm.

By setting a deforestation cutoff date of 2025, rather than 2020 as mandated by the Cerrado Soy Manifesto and the Accountability Framework Initiative, Bunge tacitly encourages illegal and illicit deforestation practices such as that which occurred at Kajubar Farm in September and October 2021.

Deforestation favors the corporations that control the soy industry in the region. Under Bunge’s current policies on deforestation and exploitation, there is nothing to prevent the company from buying soy grown on the illegally deforested Kajubar Farm.
Anatomy of a Corporate Crime: How to Grab Land and Launder It Into Multinational Capital

“I started to see a lot of cars going by on the road near my house. I tried to find out what was going on, but nobody would tell me... it was all a big secret. So, when someone finally told me what was happening, I asked for the exact location. I went there and saw the area being deforested, and my first reaction was to go and report it.”

This is how a leader of a community near Chapada Fortaleza discovered that the area was being deforested. She contacted the Pastoral Land Commission, which then informed the Network for Social Justice and Human Rights (Rede Social) and the Association of Lawyers of Rural Workers, AATR. The next step to denounce the case was to gather more information about what was happening: “this is the first step for filing a formal complaint with environmental agencies and in court,” explains Maurício Correia, a lawyer at AATR.

The community leader noted that even though the men facilitating the deforestation identified themselves as police officers, they were, in fact, private gunmen hired by a local land grabber: “I could tell that they were not police officers by the way they acted and that some of the henchmen in the area were allied to a well-known local land grabber. He had already caused problems for the communities before. They intended to continue deforesting the land right up to the communities’ territory. They said they were going to deforest everything.”

Rede Social asked a researcher to go to Chapada Fortaleza, near Chupé and Brejo das meninas in the municipality of Santa Filomena, to gather evidence of the illegal deforestation as it was taking place. The researcher reported that “we saw the machines coming down the road – there was a big chain on the back of a semi-trailer and a tractor behind another semi. They had just plowed through the area with the ‘correntão’ – a huge chain strung between two tractors and dragged along the ground to destroy every tree and bush in its path.

Doing research in the area is risky because of the gunmen that the land grabbers hire to ensure that the illegal operation runs smoothly. “Early in the morning, we would drive from the community to where the land was being deforested and we had to be careful,” the community leader told us. “I would keep an eye out while the researcher got out of the car to take pictures and record the GPS coordinates. If any of the gunmen were to see us, we’d be in danger. The criminals work together with a private security firm, often backed by public security forces, officers in uniform or ones offering private services illegally – in other words, they are paid by the land grabbers,” the leader explained.

Having gathered the evidence, local organizations filed a complaint with the government bodies in charge of environmental control and land regularization and the state courts in Piauí. Using GPS coordinates, the community
members and organizations were able to identify who supposedly owned the deforested area: “we were able to prove that the deforestation took place on the Kajubar farm, which is registered – albeit illegally – in the name of the Euclides de Carli estate,” lawyer Maurício Correia affirmed.

The communities knew that the De Carli group had appropriated this land by falsifying the land ownership records and that this case has been in court for six years now. “This type of crime only comes to light when the communities are able to denounce it. If they are silenced, it is highly unlikely that the state will take the initiative to charge someone for deforestation or investigate whether a given plot of land has been illegally grabbed,” Correia explained.

Local communities and especially the more vocal among them have good reason to be aware of the De Carli group. De Carli is a convicted land grabber, who died in 2019. In May 2015, an investigation of the Federal Public Ministry and the Federal Police of Piauí unveiled a land grabbing network connected to de Carli which identified him as the main land grabber in MATOPIBA region, controlling over 1 million hectares. In 2016, a court in Piauí blocked the titles of 124,000 hectares in De Carli’s possession. The local Agrarian Court estimates that 300,000 hectares of land in Maranhão and Piauí states are linked to De Carli’s illegal land grabbing. De Carli is also accused of violence and threats connected to invasions of lands occupied by local communities.
**Legal proceedings**

According to the Pastoral Land Commission, soon after the deforestation in Chapada Fortaleza was reported, the Brazilian Institute on the Environment and Renewable Natural Resources (IBAMA in its Portuguese acronym) intervened to stop the deforestation, caught some of the gunmen in the act, arrested them, and removed their machines. However, the men had already cut down the big trees with chainsaws, driven the tractors with the chain through the area, and set fire to the downed trees and vegetation.

The Land Regularization Office of Piauí then carried out an inspection. According to Richard Torsiano, the Office’s executive director, “everything indicates that the land had been deforested and fires had been set, including on land in the communities’ possession. It was noted that some of the markers that the Land Institute of Piauí had put up to delimit the communities’ land were removed by the people who deforested the area.”

To deforest any area in Brazil legally, one needs the authorization of the appropriate environmental authorities. However, authorities cannot grant this authorization in this case because Kajubar Farm is currently involved in a legal dispute between local land-grabbers and communities who have tenure rights to the land. The Public Prosecutor and the Public Defender have now become involved in the case; the former is investigating it, and the latter is working to guarantee land rights of local communities. The Land Institute of Piauí and the state Environmental Department have also been called on to intervene.

AATR lawyer Maurício Correia explains the background of the case as follows:

“Research by Rede Social had already determined that this land had been illegally appropriated by land-grabbers. Pressured by the communities and the organizations to act, the state public prosecutor filed an annulment action in 2016 in the Agrarian Court of Bom Jesus. In the report on the case, the public prosecutor included the property ownership records of several farms, including Kajubar, as they had been fraudulently registered at the notary office. Judge Heliomar Rios, who was in charge of the Agrarian Court at the time, suspended the property ownership records – which together totaled 124,000 hectares of land – due to the strong evidence of fraud.”

Since the communities were awaiting a court decision to guarantee their right to land, the deforestation took them by surprise. Altamiran Ribeiro, from the Pastoral Land Commission, explains that “we feared that it was an attempt to illegally grab more land which would affect the communities’ territories.”

The deforestation began with a conflict between two apparent land-grabbers who were trying to take over the area. According to field research and communities’ reports, in September 2021, gunmen from the Philippsen and De Carli groups opened fire on one another, which frightened the local communities. The land-grabbers’ apparent goal was to broker the land deals: They tried to displace the communities to deforest the area and sell it to agribusiness and financial corporations.

On one side a farm, on the other, preserved Cerrado, South Piauí

Photo: Mariella Paulino
The role of international financial corporations

Altamiran Ribeiro of the Pastoral Land Commission explains that “behind the actions of land-grabbers, there are corporations interested in speculating on the land. These actions are stimulated by foreign speculators.” Lawyer Maurício Correia explains that deforestation is part of the land-grabbers’ strategy to sell land: “This case suggests that a reasonable offer had been made for the purchase of this land.”

According to researcher Bruno Spadotto, it is common for land-grabbers to receive money from potential buyers in advance to deforest the land. “In the case of groups such as De Carli, the amount paid to gunmen, for the ambush, to the topographer, the notary office – that is, all the money spent on the illegal operation is built into the sale price of the land.” In this case, the communities hope that an investigation will be launched – one that is able to order the disclosure of banking information – to find out who is behind the crime.

Given the history of the region, deforestation can be a sign that the land is about to be sold. According to Correia, “it is highly likely that a buyer already exists, because this is the modus operandi of this group. They deforest when they already have a buyer for the land.” Local organizations denounce the fact that groups linked to De Carli generally displace communities, falsify land titles, and sell the land to corporations such as SLC, Insolo, Radar, and others, who receive financing from abroad.

The acquisition of several properties in Chapada Fortaleza has been consolidated by international financial corporations such as the Harvard Endowment Fund and the investment firm TIAA. Although these funds cannot be directly fined for deforestation, according to Brazilian law, they can be held responsible for acquiring land in a fraudulent manner. As Mauricio Correia explains, “I compare this with a stolen car: International funds are not responsible for the theft of the car, but if they buy a stolen car, they can be held liable for handling stolen goods, which is a different crime.”

According to Correia, the international funds involved in this case could face cancellation of the land titles of the properties they acquired, which would be reverted to the state. The state could then determine that the communities living in these areas have tenure of the land by right of use, in accordance with the provisions of the Federal Constitution and the Lei de Terras do Piauí (Piauí Land Act).

Other agribusiness corporations, such as Bunge, are driving deforestation in the Cerrado biome by creating a financial incentive for the continued expansion of soy plantations. In southern Piauí, Bunge has a monopoly over the agro-industrial complex that stores soy in the region. “Bunge has headquarters in Chapada Fortaleza. Beside it is a farm owned by SLC, which spans a huge area of land. Then comes the Insolo farms, followed by Radar’s farms. You can see the signs of the De Carli group all over the region,” the researcher that was in the area in October 2021 says. For the researcher, it is obvious that a new deforested area will increase Bunge’s profits “because it means that there will be more soy to trade.” Furthermore, the fact that Bunge’s headquarters are near the soy plantations makes transportation easier and reduces production and storage costs.
Destruction and resistance

The area of Kajubar Farm that was deforested in 2021 used to be covered by native vegetation whose preservation is compatible with the communities’ food production.

“The diversity of the Cerrado ends when they take away the trees and the animals. In their place, the corporations leave poison, which drains into our marshes,” explains one of the leaders of the affected communities. According to the communities, the deforestation left wild hogs homeless: “The animals that survived the ‘correntão’ and the fires don’t have anywhere to go. It is very sad to see animals at risk of extinction expelled from their habitat.”

Another impact on the traditional communities is the destruction of the trees which are an important source of fruit and thatch for the roof of their houses. The expansion of soy plantations erodes the soil and causes marshes and rivers to dry up. Agrochemicals from the plantations affect the health and crops of the communities. Once the destruction has been done, agribusiness corporations continue to expand through illegal means, fencing in the communities and regularly inciting violence.

Altamiran Ribeiro warns about the impact on local food production: “if the communities don’t have land, they can’t grow anything. They lose their food sovereignty.”

The traditional communities of Brejo das Meninas, Barra da Lagoa, and Chupé in the municipality of Santa Filomena are neighbors of the Kajubar Farm. Local community members have lived in the region for generations, gathering fruit, fishing, farming by hand using ecological methods, raising small livestock, and preserving the culture and spirituality of the Cerrado. “They protect the land, and the land protects them. When these corporations invade the communities’ space, they deforest and destroy everything,” says Altamiran Ribeiro.

Altamiran explains that the land-grabbers often pretend to be government employees to trick the communities. When that does not work, they resort to threats, physical aggression, burning houses, and confiscating the food produced by the communities.

Many communities are mobilizing to resist these threats in partnership with local, national, and international organizations. They have also organized a collective space in which leaders from all communities in the region participate. “Land-grabbing in this region is diminishing, as the people from the communities know how to defend themselves,” affirms Altamiran.

Indigenous, quilombola, and other traditional communities in the Cerrado are demanding land rights to guarantee their food sovereignty. “Regularizing our territories and having the support of the justice system would protect us from those who want to destroy the Cerrado,” affirms one of the community leaders.
Bunge’s Silent Conquest

There is no doubt that many corporate actors are responsible for the ongoing ecological and social destruction of the Cerrado. But in southwest Piauí, one multinational stands out above all others.

Bunge Limited is one of the world’s largest agribusiness traders, processing oilseeds for sale to the food and beverage industries. It is one of the largest soy processors in Brazil and one of the major market players in the South American soy industry. Through Bunge Loders Croklaan, the company is also a major player in the global palm oil market.

In September 2015, Bunge expanded on its 2014 policy to remove deforestation from its palm oil supply by committing to eliminate deforestation from its global supply chain, though it did not indicate a timeframe to achieve this. Yet fully six years later, in 2021, the French government published data estimating that over half of Bunge’s Brazilian soy imports into France presented a high risk of deforestation – significantly higher by volume and proportion of risk than any other importer. In April 2021, Mighty Earth’s Deforestation Tracker estimated Bunge’s soy supply was linked to almost 60,000 hectares of deforestation in Brazil from March 2019 to March 2021 – the highest of all soy traders – with just over 20,000 hectares of that deforestation possibly being illegal.

Bunge has a monopoly over the sale of inputs and financing to soy producers in Piauí and a monopsony over the purchasing of soy, thanks to its ownership and leasing of several grain storage silos which supply its plant in the municipality of Uruçuí in the south of Piauí. Bunge processes soybeans in these plants and exports them in the form of soy meal and oil through the Port of Itaqui in Maranhão. The expansion of production, productivity, and the amount of land occupied by the soy value chain are directly tied to the increase in Bunge’s storage and processing capacity. That is to say, Bunge’s expansion drives the expansion of the soy production chain, which in turn drives land speculation, deforestation and dispossession of the region’s communities.

Bunge is the dominant buyer and trader of soy in Piauí in terms of market share, storage, processing capacity, and infrastructure. Bunge operates the largest silos in Piauí. As shown (Map 4, below), these silos are strategically located in the state’s main grain producing areas in the southwest of the municipalities of Uruçuí, Bom Jesus, Baixa Grande do Ribeiro, Currais, and Santa Filomena. This maximizes Bunge’s ability to purchase soy from a range of producers. Bunge’s total soy storage capacity in Piauí is estimated at 694,158 metric tons. Its newest silo in Santa Filomena, an investment of BRL 27 million (USD 90 million), has a storage capacity of 77,000 metric tons.

In 2002, Bunge opened the main crushing plant for Piauí in the town of Uruçuí. The crusher, which produces soy meal and soy oil, had an (initial) processing capacity of 660,000 metric tons per year. Bunge considers the crushing of soy oilseeds a key growth platform.

The company has recently expressed its interest in further expansion in Piauí. It invested BRL 300 million (USD 90 million) to substantially increase its processing capacity in Piauí, to 750,000 metric tons per year in 2017.
Soy supply chain

Map 4: Bunge’s monopoly in Piauí: silos and crushing plants

Given Bunge’s monopoly in Piauí, it is no exaggeration to say that all past deforestation in the region on land that has since been used for soy production benefits Bunge’s business. Similarly, unless Bunge takes clear steps to prevent it from happening, all newly deforested areas in the region are likely to be converted to soy plantations that will enter Bunge’s supply chains.

Indeed, the case of Santa Filomena described above is far from unique. As recently as February 2022, real-time deforestation monitoring by AidEnvironment shows multiple new recent cases of deforestation in the Cerrado, with five of the six case studies in Bunge’s supply chain. All soy grown in the municipality of Santa Filomena supplies Bunge’s silos in the surrounding area. This confirms that all deforestation in the past on land in the region that has since been used for soy production benefits Bunge’s business.
Bunge’s questionable commitment to sustainability

Bunge’s role in driving deforestation and related human rights risks in its soy and palm oil supply chains constitutes a significant material risk to investors and is out of step with increasing pressure on financiers to align their investments with climate, biodiversity, sustainability, and ESG commitments. This explains why, in May 2021, 98% of Bunge’s shareholders called for the company to do more to protect the Cerrado by strengthening its no-deforestation policy.

But one year later, in April 2022, there is nothing in Bunge’s commitment to sustainability to prevent the company from buying soy grown on the illegally deforested Kajubar Farm. As in all forest-risk value chains, responsibility in the soy value chain begins with traceability. In 2020, Bunge reported it had “complete insight” into its soybean sourcing: 100% traceability to farm for direct sourcing for 25 priority municipalities in Brazil, under its commitment to the Soft Commodities Forum. Santa Filomena is one of these priority municipalities (since increased to 61 municipalities). Bunge also declared at the time that it would start taking its indirect supply chain seriously and would begin assisting grain resellers to track the origins of Bunge’s indirect soy supply.

At U.N. COP26 in November 2021, Bunge announced a commitment to reduce GHG emissions in its value chain by 2030; while this does cover absolute reductions and all scopes (25% reduction of scopes 1 and 2 and a 12% reduction of scope 3 emissions, from a 2020 baseline), it is a “well below 2°C” target rather than a 1.5°C alignment.

In the COP26 announcement of its new science-based climate target, Bunge declared that “a substantial portion of the emissions reduction within its supply chains is expected to be driven by Bunge’s commitment to achieve deforestation-free supply chains by 2025,” calling its 2025 goal “the earliest deadline in the industry.”

But rhetorically enhanced aspirations are not enough to bring an end to the destruction of the Cerrado’s dwindling forests. In December 2021, France named Bunge one of two leading importers of deforestation-linked soy. Bunge can and should do more. As the deforestation of 2,000 hectares of native vegetation in Chapada Fortaleza demonstrates, delaying an absolute end to deforestation in its supply chains for three more years puts thousands of hectares of irreplaceable Cerrado forest on the chopping block.

As the testimonies in the previous section of this report demonstrate, Bunge’s blind spot extends to human rights – and specifically to the ways in which it has a hand in enabling land conflicts and threats and intimidation of environmental human rights defenders. Bunge’s Grains and Oilseeds Commitment pledges to “respect human rights and indigenous community rights, and apply free, prior and informed consent (FPIC) for land purchases and use.” However, this policy commitment is only monitored on land it owns and operates itself. In regard to implementing FPIC on lands that feed into its supply chain, the company has said it “expect[s]” its suppliers to comply with its Code of Conduct. Bunge’s Code of Conduct does state Bunge’s expectation for its suppliers to “uphold human rights,” but it does not

Deforestation is drying up the Birthplace of Waters, South Piauí
Photo: Leticia Luppi
mention land rights, does not refer to FPIC, and makes no mention of indigenous or customary communities. While the Code requires that Bunge’s suppliers comply with its environment policy,41 that policy also makes no reference to land rights or FPIC.42

“If any of the gunmen were to see us, we’d be in danger. The criminals work together with a private security firm, often backed by public security forces, officers in uniform or ones offering private services illegally – in other words, they are paid by the land-grabbers.”

– Testimony of a community leader in the region of Chapada Fortaleza.

As Global Witness has reported in Seeds of Conflict, cited in the preceding paragraph, Bunge’s “No Deforestation Commitment” does not explicitly apply to its soy supply chains, and its “No Exploitation Commitment” explicitly lacks reference to land rights of local communities or to the impacts of its indirect soy sourcing.

“The company’s ‘No Deforestation Commitment’ outlined in its 2021 Global Sustainability Report does refer to ‘respecting the rights of indigenous peoples, workers and local communities,’ but only in a section about palm oil specifically. Reporting how its policies ‘align’ with ‘NDPE’ (No Deforestation Peatland, or Exploitation policies), Bunge’s 2021 report says, ‘NO EXPLOITATION, refers to no exploitation of workers, children, local communities or small-scale growers in the production of palm oil.’43 These policies apparently do not apply to its soy supply.

“Asked to explain its procedures to monitor for ‘exploitation’ in its Brazilian soy supply chains, specifically where not involving slave or forced labour, Bunge told Global Witness that ‘Human rights and exploitation risk in the soy supply chain in Brazil are categorized under the Modern Slavery Act.’ This suggests that only a violation of that act – which does not relate to land rights or FPIC for communities – would constitute a human rights problem worthy of Bunge’s attention.”

Global Witness concludes that “Overall, Bunge’s implementation of its commitment to land rights and FPIC across the hundreds of thousands of hectares where it sources Brazilian soy is a mirage. It is in effect not undertaking any due diligence on land rights, land conflicts, or FPIC in its Brazilian soy supply chain that might identify or mitigate risks of significant harms on local communities or land and environmental defenders by its suppliers.”

These gaps in Bunge’s due diligence effectively means the company is directly linked to the abuses to which its supply chain is exposed and, as such, is failing in its responsibilities under the U.N. Guiding Principles on Business and Human Rights (UNGPs)44 and those as further defined in the OECD Guidelines for Multinational Enterprises (OECD Guidelines)45 and OECD Due Diligence Guidance for Responsible Business Conduct (OECD Guidance).46

Land and environmental defenders play a vital role in protecting climate-critical forests and ecosystems. Recent research shows that indigenous and local communities around the world are managing forests that contain carbon equivalent to 33 times current annual emissions – although even this figure is likely to be an underestimate.47 Protecting
land and environmental defenders should therefore be at the forefront of the world’s efforts to tackle the climate crisis.

In order to fully implement its No Deforestation promise, Bunge’s policy should have a monitoring system and UNDP-aligned grievance mechanisms and procedures governing the company’s response to noncompliant suppliers, including thresholds for contract cancellations and steps to remediate deforestation and human rights abuses in its direct and indirect supply chains (all upstream producers of the commodities).

As with the overall sector, Bunge’s soy supply chain is unnecessarily opaque to outsiders not party to its contracts, impeding transparency and accountability in this major commodity supply chain. Bunge is a member of the Soft Commodities Forum (SCF), a voluntary sustainability initiative created in 2019 and couched within the World Business Council for Sustainable Development (WBCSD).48 The SCF aims to advance “collective action on a conversion-free soy supply chain” in the Cerrado region.49 It is described by some as a major development that expands the soy sector’s work to exclude Amazon deforestation and to cover the conversion of a wider set of ecosystems.50

The SCF is now a guide for the Consumer Goods Forum’s recently established Forest Positive Coalition. Twice yearly, SCF members report on their efforts to improve traceability in their soy supply chains, including initiatives to train select producers in best practices. However, traceability – at least internal traceability – does not equal transparency. SCF members do not identify their suppliers publicly; they publish only aggregate data about the percentages of their direct and indirect suppliers that are “traceable.”51 Without public supply chain data, it is impossible to assess SCF members’ claims, and its approach therefore legitimizes and perpetuates supply chain opacity that has not been tolerated for other “forest risk commodities,” notably palm oil.

Furthermore, traders do not publish information about suppliers in their soy supply chains, as most do in their palm oil supply chains, for example. It is virtually impossible to assess independently any of the traders’ sustainability or traceability claims, and this is a major impediment to soy supply chain transparency.
Recommendations

In order to take responsibility for its climate footprint and the deforestation and human rights abuses linked to its soy supply chains in Brazil, Bunge should take these steps:

- Cease all expansion of soy plantations in general, even where it is apparently legal, in the name of climate responsibility.

- Commit to the Cerrado Soy Moratorium and align operations with the 2020 deforestation cutoff date in accordance with the Accountability Framework Initiative, and act to immediately halt sourcing from lands that have been deforested since 2020.

- Immediately work to stop the ongoing land and human rights abuses and proactively provide or cooperate in the provision of credible remedy to the community for those harms already perpetrated, in line with its responsibilities under the UNGPs and OECD Guidelines and Guidance.

- Immediately prioritize the identification of indigenous, traditional, quilombolas, and rural landless communities affected by its soy supply chains, including where community land rights claims are still pending formal government recognition and titling processes.

- Avoid reliance on suppliers’ policies and audits to assess compliance with respect to land rights and Free, Prior and Informed Consent. Conduct its own verification and risk assessments on the ground and publish the results.

- Do not source from soy suppliers who are operating on properties claimed or contested by indigenous, traditional, or rural landless communities in the absence of FPIC; litigating against communities asserting competing land rights claims; threatening, attacking, or intimidating communities asserting competing land rights; or operating on properties for which Environmental Rural Registry (CAR) registrations have not been validated by state institutions to respect Brazilian legal requirements and community land rights.

- Provide for and deliver effective remedy for communities, including compensation where relevant, where soy suppliers have used community-claimed land in the absence of FPIC, subjected communities to costly litigation that challenges their land rights claims, or subjected communities to threats, intimidation, attacks, or other human rights violations.

- Assure that the process of providing and delivering remedy ensures that communities or individuals are not put at risk of reprisals when freely enunciating the harms they have been subject to and their associated needs. This may require engaging experts in the security and protection of environmental human rights defenders before and during consultation processes, ensuring third-party lawyers and civil society representatives chosen by the defenders involved, employing secure communications practices, and other security and equity measures. Remedies agreed with communities should be honored and should not limit the rights of communities to further pursue land rights claims.

- Lobby the Brazilian government to urgently implement the human rights and community land rights policies already established in law and the constitution and to reform environmental and property licensing procedures to incorporate community land rights.

- Ensure full traceability to farm for all direct and indirect suppliers across all commodity and country supply chains and ensure this information is transparently and regularly published.

- Ensure that the Soft Commodities Forum builds strong human rights and land rights due diligence into member action plans and that soy traceability is transparently reported to farm-level.

- Adopt, publish, and implement credible measures to monitor for, prevent, and provide remedy for land rights abuses in its global supply chains across all commodities traded, incorporating a zero-tolerance stance on illegal land acquisition and excluding all suppliers operating on land where the Free, Prior and Informed Consent of affected communities has not been obtained.
On one side a farm, on the other, preserved Cerrado, South Piauí

Photo: Mariella Paulino
Endnotes


7. The name of the field researcher who uncovered this deforestation is being withheld for security reasons.


12. For security reasons, the people who conducted investigation in the deforested area will remain anonymous.


Ibid.

Ibid.

Emiko Terezano, Camilla Hodgson. December 13, 2021. Bunge and Cargill linked to soya supply chains with deforestation risk. Financial Times. https://www.ft.com/content/5c44969c-b3a4-4a47-963a-b0b8300ffbb2


